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To: Microsoft ATR
Date: 12/6/01 10:10pm
Subject: AtATgram: Lobbying For Smackdown (12/6/01)

Joe Pavlo <jpavlo@ilm.com> is sending you a scene from _As_the_Apple_Turns!_

Scene 3435 follows:

Lobbying For Smackdown (12/6/01)

Remember how Microsoft recently offered to settle a couple hundred private antitrust suits potentially worth some \$12.5 billion by donating \$1.6 billion in refurbished computers, software, and services to the nation's "poorest schools"? Yes, it was a baldfaced attempt to turn what should be a penalty for abusing monopoly power into a cheap and easy grab for yet more market share. As such, that settlement proposal is the latest and most obvious piece of evidence that Microsoft thinks the rest of the world is suffering from massive head wounds. Then again, who can blame them for thinking so? After all, 90% of the world is using Windows; we're hard-pressed to come up with a better explanation for that statistic than widespread cranial trauma.

But we digress. You probably also recall that Steve Jobs was among those who found Microsoft's proposal just slightly... _incongruous_ with the whole "antitrust punishment" angle. Being the quintessential diplomat (at least, when he wants to be), the man generally keeps his yap shut about Redmond antitrust issues, but when suddenly faced with the possibility of a billion-dollar tidal wave of Windows, Office, and Outlook crashing through our schools and wiping out one of Apple's last market strongholds, Steve issued a cautious statement of protest last week, stating that he was "baffled" as to how handing Microsoft a new market on a silver platter constituted any sort of penalty for breaking the law.

Now, see, we thought that was the end of it as far as Apple was concerned-- and certainly Steve's short statement attracted a whole mess of media attention, so we figured that Apple had made its point and moved on. Evidently we were wrong, though, because faithful viewer GUMBY informs us that Apple plans to file a supplemental brief tomorrow morning in hopes of persuading the judge to reject the proposal. According to Reuters, one of El Steve-O's big points will be that \$830 million of that \$1.6 billion settlement consists of free Microsoft software-- which, in reality, doesn't cost anywhere _near_ that much to reproduce.

In his own divine words, "We think people should know that the actual costs to Microsoft for this donated software will likely be under \$1 million." Mmmm, you just _gotta_ love that 100,000% markup!

So instead of letting Microsoft get off cheap by donating software valued at full retail price (yet costing only pennies to reproduce), Steve proposes the same idea we rattled off last week: make Redmond cough up the cash and let the _schools_ decide what they want to buy with it. By our count, shelling out \$1.6 billion in cash to settle hundreds of cases worth up to \$12.5 billion is still a great deal-- especially for a company with pockets as deep as Microsoft's. Heck, if it were up to us, we'd tack another billion or two on there just to smack Microsoft around for proposing such a weasel-headed settlement in the first place. We'll see soon enough if the judge bites.

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